GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:2199
ANSWERED ON:29.11.2016
Gap between CPI and WPI
Kumar Dr. Virendra

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether there has been a wide gap between Consumer Price Index (CPI) and Wholesale Price Index (WPI) during the last three years; and
(b) if so, the details thereof and the response of the Government thereto;
(c) whether such gap has also been seen in the prices in the organized and unorganized retail markets and if so, the details thereof; and
(d) the corrective action taken in this regard?

Answer

THE MINISTER OF STATE
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
(SHRI C. R. CHAUDHARY)

(a) & (b) : Details of WPI and CPI for last three years is at Annexure.
The difference between Wholesale Price Index (WPI) and Consumer Price Index (CPI) is partly due to difference in composition of item basket, weighting diagrams and the markets. The WPI basket assigns significantly larger weight to tradeable commodities and comparatively lower weight to food items, while CPI basket assigns higher weight to food items and includes services like health and education. While the prices of tradable commodities are largely influenced by international prices, the prices of non-traded food and services like education and health services are determined by domestic prices. Also the base year for WPI is 2004-05:100 and for CPI is 2012:100.

(c) & (d) : Government does not maintain data with respect to gap in prices in the organized and unorganized retail markets. However, under the Essential Commodities Act, 1955 State Governments are empowered to control the prices at which any essential commodity may be bought or sold.
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